
HOUSE BILL No. 1321

DIGEST OF INTRODUCED BILL

Citations Affected: IC 12-13-5-2.5; IC 12-19-7; IC 12-19-7.5.

Synopsis: Administration and funding of human services. Requires intake and eligibility determinations for certain services and programs administered or supervised by the division of family resources to be performed by merit employees employed in the county office of the county in which the individuals receiving the services principally reside. Changes the budget procedure for the county family and children's fund and the county children's psychiatric residential treatment services fund to: (1) permit a county fiscal body to reduce a proposed budget and levy to the advisory expenditure limit established for the county; and (2) require the department of child services to document the need for any expenditure that exceeds the county's advisory expenditure limit.

Effective: July 1, 2006.

Pelath, Oxley

January 10, 2006, read first time and referred to Committee on Family, Children and Human Affairs.

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Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

HOUSE BILL No. 1321

A BILL FOR AN ACT to amend the Indiana Code concerning human services.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 12-13-5-2.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2006]: **Sec. 2.5. The initial intake and eligibility determinations**
4 **for programs and services administered or supervised by the**
5 **division under section 1 or 2 of this chapter must be performed:**

6 (1) **in the county in which the individuals primarily served by**
7 **the programs and services principally reside; and**

8 (2) **by an individual who is employed in:**

9 (A) **classified service (as defined in IC 4-15-2-2.4); and**

10 (B) **the county office for the county in which the**
11 **individuals primarily served by the programs and services**
12 **principally reside.**

13 SECTION 2. IC 12-19-7-0.5 IS ADDED TO THE INDIANA CODE
14 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
15 1, 2006]: **Sec. 0.5. As used in this chapter, "advisory expenditure**
16 **limit" refers to the expenditure limit established for a year under**
17 **section 5.5 of this chapter.**



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SECTION 3. IC 12-19-7-4, AS AMENDED BY P.L.234-2005, SECTION 57, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 4. (a) For taxes first due and payable in each year after ~~2005~~, **2006**, each county:

(1) shall impose a county family and children property tax levy equal to the **lesser of:**

(A) ~~the~~ county family and children property tax levy necessary to pay the costs of the child services of the county for the next ~~fiscat~~ year; or

(B) ~~the~~ advisory expenditure limit that applies to the county for the next year less any unencumbered balance in the fund at the end of the immediately preceding year; and

(2) may impose an additional county family and children property tax levy equal to the greater of zero (0) or the difference between:

(A) the costs for child services of the county that the department justifies as necessary or desirable in its budget adopted under section 6 of this chapter; and

(B) the sum of the county's advisory expenditure limit for the next year and the unencumbered balance in the fund at the end of the immediately preceding year.

(b) The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy and comply with IC 6-1.1-17-3.

SECTION 4. IC 12-19-7-5.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 5.5. The advisory expenditure limit for a year is the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the actual expenditures payable from property tax levies for the fund for child services in the year preceding the budget year by two (2) years, excluding any amount paid from the fund to cover:

(A) expenditures other than child services, including the amount paid on a loan from the fund for these expenditures;

(B) expenditures for child services made in a year other than the year that precedes the budget year by two (2) years, including the amount paid on a loan from the fund for these expenditures; or

(C) expenditures for children's psychiatric residential treatment services (as defined in IC 12-19-7.5-1) that were

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1 paid from the fund but are of the type payable from the
2 children's psychiatric residential treatment services fund
3 after 2005.

4 However, for the 2008 budget year, the STEP ONE amount is
5 the same as the STEP ONE amount used for the 2007 budget
6 year multiplied by the assessed value growth quotient
7 determined under IC 6-1.1-18.5-2 for 2006.

8 STEP TWO: Multiply the STEP ONE amount by the assessed
9 value growth quotient determined under IC 6-1.1-18.5-2 for
10 the year immediately preceding the budget year.

11 STEP THREE: Multiply the STEP TWO amount by the
12 assessed value growth quotient determined under
13 IC 6-1.1-18.5-2 for the budget year.

14 SECTION 5. IC 12-19-7-6, AS AMENDED BY P.L.234-2005,
15 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
16 JULY 1, 2006]: Sec. 6. (a) The department, upon the advice of the
17 judges of the courts with juvenile jurisdiction in the county, and after
18 consulting with the division of family resources, shall annually compile
19 and adopt a child services budget, which must be in a form prescribed
20 by the state board of accounts.

21 (b) The budget must contain an estimate of the amount of money
22 that will be needed by the department during the ensuing year to defray
23 the expenses and obligations incurred by the department in the payment
24 of services for children adjudicated to be children in need of services
25 or delinquent children and other related services, but not including the
26 payment of AFDC.

27 (c) If the department proposes expenditures for the next year
28 that exceed the sum of the county's advisory expenditure limit for
29 the next year and the unencumbered balance in the fund at the end
30 of the immediately preceding year, the department must include
31 with the budget supporting documentation that includes the
32 following:

33 (1) A description of the actions that the department and the
34 judges of the courts with juvenile jurisdiction in the county
35 have taken to review alternative, less costly methods of
36 delivering child services and the reasons why alternative, less
37 costly methods of delivering child services cannot be adopted.

38 (2) A description of the actions that the department and the
39 judges of the courts with juvenile jurisdiction in the county
40 have taken to control the charges imposed by providers of
41 child services.

42 (3) All of the following:

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(A) A description of each action that could be taken to reduce the budget to the sum of the county's advisory expenditure limit for the next year and the unencumbered balance in the fund at the end of the immediately preceding year without requiring implementation of the procedure set forth in section 15 of this chapter.

(B) A description of the amount by which implementation of each action described under clause (A) would reduce the proposed budget.

(C) A ranking of the actions described under clause (A) according to the relative desirability of taking each action on the basis of the impact that each action would have on the welfare of children.

(D) A chart of the cumulative reduction in the property tax levy and property tax rate for the fund that would result from the adoption of a combination of the actions described under clause (A), beginning with the highest ranked action through the lowest ranked action.

(E) A description of the impact that each action described under clause (A) would have on the eligibility of the state and the county for federal funding for child services or other federal funding.

SECTION 6. IC 12-19-7-9, AS AMENDED BY P.L.234-2005, SECTION 60, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 9. The budget, **supporting documentation for the budget**, and the tax levy recommended by the department shall be:

- (1) certified to the county auditor;
- (2) filed for consideration by the county fiscal body; and
- (3) filed with the department of local government finance.

SECTION 7. IC 12-19-7.5-0.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 0.5. As used in this chapter, "advisory expenditure limit" refers to the expenditure limit established for a year under section 6.5 of this chapter.**

SECTION 8. IC 12-19-7.5-6, AS AMENDED BY P.L.234-2005, SECTION 69, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 6. (a) For taxes first due and payable in each year after ~~2005~~, **2006**, each county:

- (1) shall impose a county children's psychiatric residential treatment services property tax levy equal to the **lesser of:**

(A) the county children's psychiatric residential treatment services property tax levy necessary to pay the costs of

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children's psychiatric residential treatment services of the county for the next ~~fiscal~~ year; or

(B) the advisory expenditure limit that applies to the county for the next year less any unencumbered balance in the fund at the end of the immediately preceding year; and
(2) may impose an additional county children's psychiatric residential treatment services property tax levy equal to the greater of zero (0) or the difference between:

(A) the costs for children's psychiatric residential treatment services of the county that the department justifies as necessary or desirable in its budget adopted under section 8 of this chapter; and

(B) the sum of the county's advisory expenditure limit for the next year and the unencumbered balance in the fund at the end of the immediately preceding year.

(b) The department of local government finance shall review each county's property tax levy under this section and shall enforce the requirements of this section with respect to that levy.

SECTION 9. IC 12-19-7.5-6.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: **Sec. 6.5. The advisory expenditure limit for a year is the amount determined under STEP THREE of the following formula:**

STEP ONE: Determine the actual expenditures from property tax levies for the fund (or in 2005, the family and children's fund) for children's psychiatric residential treatment services in the year preceding the budget year by two (2) years, excluding an amount paid from the fund to cover:

(A) expenditures other than children's psychiatric residential treatment services, including the amount paid on a loan for these expenditures; or

(B) expenditures for children's psychiatric residential treatment services made in a year other than the year that precedes the budget year by two (2) years, including the amount paid on a loan for these expenditures.

However, for the 2008 budget year, the STEP ONE amount is the same as the STEP ONE amount used for the 2007 budget year multiplied by the assessed value growth quotient determined under IC 6-1.1-18.5-2 for 2006.

STEP TWO: Multiply the STEP ONE amount by the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the year immediately preceding the budget year.

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STEP THREE: Multiply the STEP TWO amount by the assessed value growth quotient determined under IC 6-1.1-18.5-2 for the budget year.

SECTION 10. IC 12-19-7.5-8, AS AMENDED BY P.L.234-2005, SECTION 70, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 8. (a) For purposes of this section, "expenses and obligations incurred by the department" include all anticipated costs of children's residential psychiatric services that are equal to the state share of the cost of those services that are reimbursable under the state Medicaid plan.

(b) The department, upon the advice of the judges of the courts with juvenile jurisdiction in the county and after consulting with the division of family resources, shall annually compile and adopt a children's psychiatric residential treatment services budget, which must be in a form prescribed by the state board of accounts.

(c) The budget must contain an estimate of the amount of money that will be needed by the department during the fiscal year to defray the expenses and obligations incurred by the department in the payment of children's psychiatric residential treatment services for children who are residents of the county.

(d) If the department proposes expenditures for the next year that exceed the sum of the county's advisory expenditure limit for the next year and the unencumbered balance in the fund at the end of the immediately preceding year, the department must include with the budget supporting documentation that includes the following:

(1) A description of the actions that the department and the judges of the courts with juvenile jurisdiction in the county have taken to review alternative, less costly methods of delivering children's psychiatric residential treatment services and the reasons why alternative, less costly methods of delivering children's psychiatric residential treatment services cannot be adopted.

(2) A description of the actions that the department and the judges of the courts with juvenile jurisdiction in the county have taken to control the charges imposed by providers of children's psychiatric residential treatment services.

(3) All of the following:

(A) A description of each action that could be taken to reduce the budget to the sum of the county's advisory expenditure limit for the next year and the unencumbered balance in the fund at the end of the immediately preceding

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year without requiring implementation of the procedure set forth in section 14 of this chapter.

(B) A description of the amount by which implementation of each action described under clause (A) would reduce the proposed budget.

(C) A ranking of the actions described under clause (A) according to the relative desirability of taking each action on the basis of the impact that each action would have on the welfare of children.

(D) A chart of the cumulative reduction in the property tax levy and property tax rate for the fund that would result from the adoption of a combination of the actions described under clause (A), beginning with the highest ranked action through the lowest ranked action.

(E) A description of the impact that each action described under clause (A) would have on the eligibility of the state and the county for federal funding for children's psychiatric residential treatment services or other federal funding.

SECTION 11. IC 12-19-7.5-11, AS AMENDED BY P.L.234-2005, SECTION 72, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2006]: Sec. 11. The budget, **supporting documentation for the budget**, and tax levy recommended by the department shall be:

- (1) certified to the county auditor;
- (2) filed with the county fiscal body; and
- (3) filed with the department of local government finance.

SECTION 12. [EFFECTIVE JULY 1, 2006] IC 12-19-7-0.5, IC 12-19-7-5.5, IC 12-19-7.5-0.5, and IC 12-19-7.5-6.5, all as added by this act, and IC 12-19-7-4, IC 12-19-7-6, IC 12-19-7-9, IC 12-19-7.5-6, IC 12-19-7.5-8, and IC 12-19-7.5-11, all as amended by this act, apply only to:

- (1) property tax levies and property tax rates first due and payable after 2006; and
- (2) budgets for years beginning after December 31, 2006.

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